

CARBON COUNTY GOVERNMENT'S FINANCES - JANUARY 2009

prepared by
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In light of the State's economic downturn and a proposed \$1,000,000,000 budget reduction in State government expenditures, I am more frequently asked the question: "How is Carbon County Government doing financially?"

To help answer this question for those interested, I've prepared and attached a one page summary of Carbon County's 23 year history of accumulated surplus or deficits in our two main funds: General and Municipal Services. I have also listed our major sources of tax revenue and adopted audited budgets of our major funds and highest departments. Calendar year 2008 has not yet been audited.

A FEW UPDATES AND OBSERVATIONS:

1. The County's healthy undesignated surplus of \$7,347,000 at the end of 2007 was significantly reduced in December of 2008 when we adjusted and balanced the 2008 budget with \$2,000,000 from surplus. Also to balance the County's new 2009 adopted budget, about \$1,500,000 of additional surplus was used.
2. Carbon County currently employs 170 full-time workers and 35 part-time to provide local county government services. The County treasurer needs \$725,000 a month to make payroll for wages and benefits. About 40% of our budget goes to labor costs – our largest annual on-going expenditure.
3. The pie chart I've prepared (attachment #2) graphically shows mineral lease revenues from natural gas and coal sales are now Carbon County's largest single revenue source followed by property taxes. You can calculate from attachment #3 to determine about 60% of all property taxes paid in Carbon County (\$21,389,162 for 2008) come from the energy industry.
4. The energy industry plays a very major and important role in Carbon County's economy and tax base. For example, most of Carbon County's public infrastructure is financed by mineral lease revenues awarded to local governments in the form of grants and loans. Carbon School District received about \$12,800,000 in property taxes for 2008. 60% of the property taxes paid to our public schools came from the local energy industry.

AUDITED UNDESIGNATED END-OF-YEAR ACCUMULATED SURPLUS OR DEFICIT

YEAR	GENERAL FUND	MUNICIPAL SERVICES FUND	TOTAL
1985	(\$453,627.00)		
1986	(\$412,474.00)		
1987	(\$168,000.00)		
1988	(\$20,577.00)		
1989	\$42,241.00		
1990	\$278,541.00		
1991	\$364,856.00		
1992	\$216,972.00		
1993	\$585,384.00		
1994	\$621,675.00		
1995	\$790,728.00		
1996	\$350,707.00		
1997	\$66,660.00		
1998	\$879,844.00		
1999	\$1,720,535.00		
2000	\$1,828,439.00		
2001	\$789,844.00		
2002	\$31,236.00	\$709,463.00	\$740,699.00
2003	\$300,000.00	\$603,623.00	\$903,623.00
2004	\$797,448.00	\$1,673,787.00	\$2,471,235.00
2005	\$1,014,302.00	\$3,226,753.00	\$4,241,055.00
2006	\$2,687,582.00	\$2,988,049.00	\$5,675,631.00
2007	\$4,476,161.00	\$2,870,866.00	\$7,347,027.00
		<i>B-Road Accumulated Surplus</i>	\$0.00
		<i>Reserved Restaurant Tax</i>	\$499,888.00

MAJOR AUDITED SOURCES OF REVENUE FOR CARBON COUNTY GOVERNMENT FOR CALENDAR YEAR 2007

Property Tax:	\$5,792,734.00
Mineral Lease Contract from RTSSD to Carbon County for County Recreation / Transportation Departments:	\$3,593,698.00
Carbon County's proportionate share of School Trust's Mineral Lease Revenues from Exchange Lands (2008):	\$4,072,510.00
B-Road Allocation:	\$1,017,169.00
Quarter % County Wide Sales Tax:	\$1,061,965.00
Local Share of General Sales Tax from Unincorporated County:	\$2,029,312.00
Total Sales Tax:	\$2,029,312.00
Federal PILT:	\$628,611.00
Motor Vehicle Fees	\$493,788.00

MAJOR AUDITED SOURCES OF REVENUE FOR CARBON COUNTY GOVERNMENT FOR CALENDAR YEAR 2007

County Jail:	\$1,812,155.00
Sheriff Department:	\$2,266,485.00
Road Department:	\$1,710,680.00
B-Road Funds:	\$1,020,000.00
Ambulance Department:	\$829,785.00
Attorney & Public Defender:	\$829,870.00

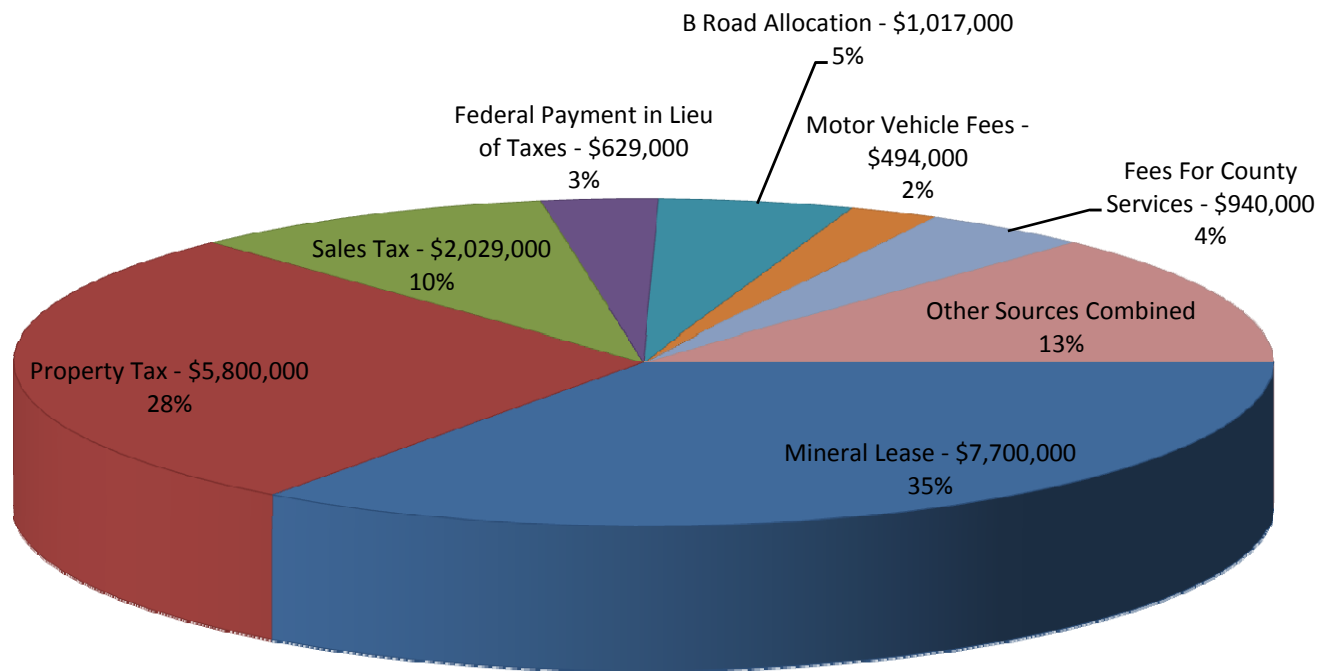
2007 General Fund Budget.....\$12,336,884.00
 2007 Municipal Services Budget.....\$9,319,057.00
 TOTAL.....\$21,655,941.00

In addition, the Tax Stability Trust Fund grew from about \$40,000.00 in 1986 to over \$1,894,015.00 at the end of 2007.

Source information: Office of State Auditor (801) 538-1025 and Craig Smuin, CPA (435) 637-1203 – Audit Report of Carbon County

C:\Users\slehman\Documents\Bill\Undesignated Year End Figures.wpd

**Top 7 Revenue Sources For Carbon County Government As A
Percentage Of General And Municipal Funds
Total Budget of: \$21,655,941 (Audited 2007)**



2008
10 LARGEST CARBON COUNTY VALUES

NAME	VALUE	TAX AMOUNT
CONOCO PHILLILPS	\$544,738,446.00	\$4,731,076.00
ANADARKO PETROLEUM	\$198,574,593.00	\$1,816,672.00
BILL BARRETT	\$170,131,336.00	\$1,440,078.00
CANYON FUEL CO	\$132,228,495.00	\$1,119,182.00
PACIFICORP	\$88,609,438.00	\$829,138.00
QUESTAR PIPELINE	\$77,541,234.00	\$680,759.00
SUNNYSIDE CO-GENERATION	\$47,597,929.00	\$545,853.00
HIDDEN SPLENDOR RESOURCES	\$42,867,114.00	\$362,827.00
WESTRIDGE RESOURCES	\$33,814,158.00	\$286,203.00
QUESTAR TRANSPORTATION SER	\$26,974,453.00	\$228,312.00
TOTALS	\$1,363,077,196.00	\$12,040,100.00
TOTAL COUNTY MARKET	\$2,709,145,511.00	
TOTAL COUNTY TAXABLE	\$2,277,114,783.00	
TOTAL TAXES CHARGED	\$21,389,162.42	